



**DISTRICT OF COLUMBIA**  
***OFFICE OF THE INSPECTOR GENERAL***

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**REPORT OF INSPECTION**

**D.C. OFFICE OF THE INSPECTOR  
GENERAL**

**Report No. 99-0001AD**

**January 2000**

**Charles C. Maddox, Esq.**  
**Inspector General**

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

**Charles C. Maddox, Esq.**  
**Inspector General**



January 13, 2000

The Honorable Anthony A. Williams  
Mayor of the District of Columbia  
One Judiciary Square, Suite 1100  
Washington, D.C. 20001

Dear Mayor Williams:

Enclosed for your review is a Report of Inspection of the D.C. Office of the Inspector General.

In my testimony in May of 1999 before the City Council, I described the newly established Inspections and Evaluations Division in my Office. At that time, I committed to set an example of how agencies should maintain public accountability by ordering a complete inspection of the Office of the Inspector General. I wanted to ensure that our own "house" was in order, even as the newly created Inspection and Evaluations Division began to inspect other agencies and programs throughout the city.

One month into my tenure as Inspector General, the inspection was underway. One-on-one interviews were conducted with each one of our 64 staff members, including managers, administrative personnel, auditors, investigators, and inspectors. On-site visits were made to each functional area, and 95% of all staff responded to a confidential survey and questionnaire to obtain opinions and determine attitudes regarding selected issues.

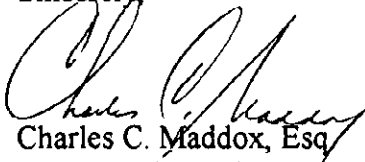
Key issues examined include:

- the organizational structure and role of management
- the effectiveness of major operations as measured against management and other standards
- OIG adherence to laws, regulations, and policies
- the quality of the work environment
- the resources and training available to employees to ensure good productivity and high quality performance

The report describes 37 findings and 76 recommendations for internal management improvements. While the inspection found a high degree of motivation and enthusiasm for the potential of the Office to help this city serve its citizens even better, the findings suggest clear opportunities for improvements in our own operations. I am pleased to say that, based on my thorough review of the inspection report and after discussions with the entire staff, I have directed implementation of more than 95% of the recommendations. The inspection team will track compliance with each recommendation I have approved and report the results to me on a quarterly basis

I look forward to working in a cooperative spirit with all our stakeholders to continue what I believe is positive momentum toward achieving an improved quality of life for all citizens of the District of Columbia. I believe this inspection marks an important step toward that ultimate goal.

Sincerely,



Charles C. Maddox, Esq.  
Inspector General

Enclosure



**DISTRICT OF COLUMBIA**  
***OFFICE OF THE INSPECTOR GENERAL***

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## **Inspections and Evaluations Division Mission Statement**

The Inspections and Evaluations (I & E) Division of the Office of the Inspector General is dedicated to providing District of Columbia (D.C.) Government decision makers with objective, thorough, and timely evaluations and recommendations that will assist them in achieving efficiency, effectiveness and economy in operations and programs. I & E goals are to help ensure compliance with applicable laws, regulations, and policies; to identify accountability, recognize excellence and promote continuous improvement in the delivery of services to D.C. residents and others who have a vested interest in the success of the city.

# **REPORT OF INSPECTION:**

## **Office of the Inspector General**

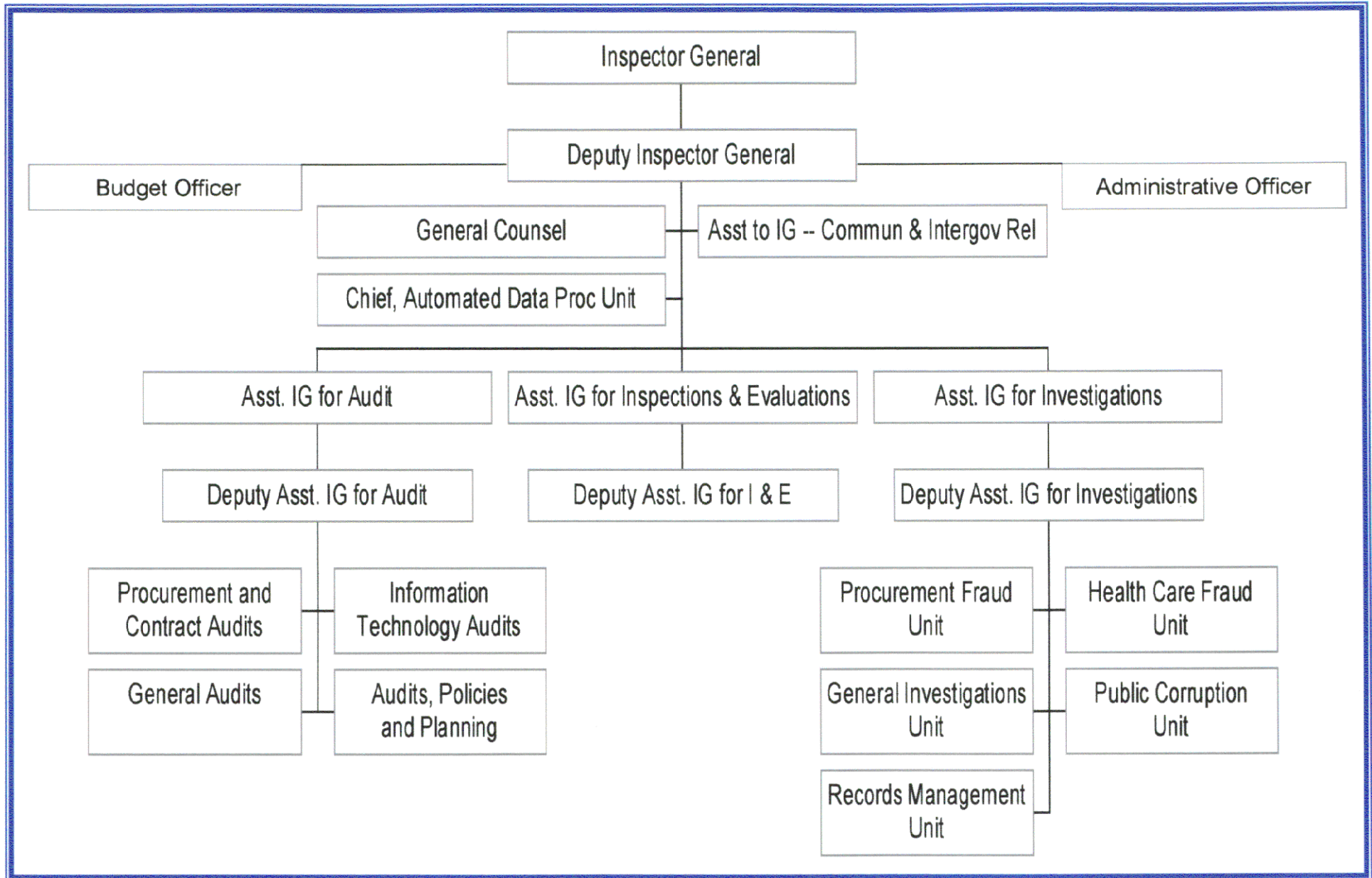
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# D.C. Office of the Inspector General\*



\* As of January 7, 2000



# **EXECUTIVE SUMMARY**

## **EXECUTIVE SUMMARY**

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### **Purpose of the Inspection**

To determine the strengths and weaknesses of the Office of the Inspector General (OIG) and identify areas needing reform and improvement.

### **Background**

In May 1999, the Inspector General (IG) created an Inspections and Evaluation Division (I&E) in OIG. The mission of I&E is to provide District of Columbia (D.C.) Government officials with objective, thorough, and timely evaluations and recommendations that will assist them in achieving efficiency, effectiveness and economy in operations and programs. The IG directed that I&E's first inspection be of the Office of the Inspector General itself in order to ensure that OIG's own house is in order prior to beginning a program of inspections of other D.C. Agencies and programs.

### **Key Findings and Recommendations**

#### **Overview**

The Inspection found a high degree of motivation and enthusiasm for the mission of OIG and the potential of the office for contributing to significant improvements in the operations of the District of Columbia. Almost to a person, those interviewed and surveyed expressed satisfaction with being in a position to make a positive impact on the programs and services the city provides to its citizens. On the other hand, there also was a similarity of views regarding areas many OIG employees perceive to be in need of reform or repair: policies and procedures, a top-heavy management structure, some salaries appearing to be out of sync with responsibilities, a sometimes inequitable rewards system, slow investigation and audit review processes, some workload imbalances, and less than satisfactory administrative support.

## **OIG Management and Administration**

### **Improvements needed in management of support services**

The number of support tasks now being handled solely by the Administrative Officer (AO) is excessive and results in some inefficiencies and delays.

**Recommendations:** That the Deputy Inspector General (DIG) and the AO undertake a detailed review of the administrative requirements of OIG with the goal of determining which tasks should be performed by the AO and which tasks can be delegated and to whom; that a clearly defined Administrative unit be established and staffed with the AO as chief and four employees (*Approved*).

### **Internal and external communication processes are not effective.**

There is no effective system for moving internal correspondence throughout OIG. There are no up-to-date policies and procedures for handling internal and external correspondence, mail, telephones, and filing.

**Recommendations:** That all OIG employees have IN-OUT trays on their desks so that correspondence can be delivered and picked up during the business day by Division administrative assistants (*Approved*); that a procedures manual be written for all significant administrative tasks (*Approved*); that the telephone system be adjusted for maximum effectiveness (*Approved*); that alarm and security procedures be updated (*Approved*); that office files and the filing system be updated (*Approved*).

### **Computer operations not prepared for changing office needs.**

The management of OIG's Automated Data Processing (ADP) operations by the AO is unsatisfactory due to the large number of other tasks and responsibilities the AO has taken on. The ADP Unit has not routinely been included in the important office planning sessions, including budget discussions. The unit is insufficiently staffed to handle the increasing number of OIG employees and projects that require uninterrupted computer support.

(Executive Summary, Cont.)

**Recommendations:** That the ADP Unit chief report to the Inspector General (*ADP chief will report to the Deputy IG*); that the ADP Unit chief be included routinely in all planning sessions in which ADP support will be a factor in the matter being considered; that the Information Technology unit conduct a technology audit of OIG's computer operations and requirements (*Approved*).

**Hiring policy and procedures need expedited completion.**

A clear hiring policy based on objective evaluations of qualifications does not exist. Consequently, employees believe recent hiring decisions were unfair.

**Recommendation:** That the DIG complete and disseminate an OIG hiring policy within 30 days after this report is signed by the IG (*Approved*).

**Employees believe there are too many managers and too few non-managers.**

There is a widespread belief among OIG employees that the number of managers is out of proportion to the number of non-managers. In both Audit Division and Investigations Division there are managers, senior in both grade and experience, supervising as few as two or three employees. There is a perception among employees that the quantity and quality of work produced in these areas do not justify the salaries being paid.

**Recommendation:** That the IG and DIG explore ways to more effectively use the experience and skills of the most highly-paid OIG managers and staff employees in order to achieve greater productivity throughout OIG. In some instances, for example, duties might be expanded to include substantive investigative or audit activities that will help boost output in those areas (*Approved*).

**Employees are generally satisfied with the leadership of OIG managers, but critical of some specific management actions.**

While there are some criticisms of individual managers and some of their actions, the team's survey and interviews show that most employees

**(Executive Summary, Cont.)**

have favorable opinions about OIG management. This indicates that the staff has mostly positive feelings about the perceived *leadership* role of OIG managers. On the other hand, a large number of employees expressed unhappiness with specific management policies and decisions that directly affect employees' professional well being such as those concerning hiring, promotions, and assignments.

## **Audit Division**

### **Faster Review of Audit Reports Desired.**

The length of the audit report review process is of concern to most auditors. The inspection found that some report drafts can take months to reach final approval and dissemination. Division management is aware of the delays and is working to improve the skills of both report writers and reviewers.

**Recommendation:** That Division management adhere to a set schedule at each stage of the report review. The Audit Manager or Director, for example, would be allocated more time than the Deputy Assistant Inspector General for Audits (DAIGA) or the Assistant Inspector General for Audits (AIGA). Either the AIGA or the DAIGA would track each report under review to ensure that those in the review chain adhere to the timeline (*Approved*).

### **Policies and Procedures Are Being Updated.**

Audit Division's internal policies and procedures were outdated and incomplete. The Division is working diligently to update and draft policies and procedures where there are deficiencies. A policies and procedures handbook is in draft.

**Recommendations:** That oversight for the completion of the handbook be assigned to a specific senior auditor or manager; that the draft handbook be reviewed and commented on by Division employees to ensure their buy-in; that a deadline for completion be identified and that sufficient human resources be dedicated to meet the deadline; and that any current operations

(Executive Summary, Cont.)

not conforming to the new policies and procedures be adjusted as appropriate (*Approved*).

**Organizational Improvement Needed.**

There is potential for the appearance of impropriety with regard to the duties of the Director of Contracts who oversees all aspects of OIG's contracts with private audit firms for city agency audits.

**Recommendation:** That division management rearrange the duties of CAU so that all critical functions are not vested in one employee.

**Investigations Division**

**ROIs: Delays in Review Process/Frequent Format Changes.**

Both managers and agents are critical of the weeks and sometimes months that pass between the completion of a Report of Investigation (ROI) and its final approval and dissemination. There is no set format for ROIs; format changes are so frequent that agents are never sure what format is current.

**Recommendations:** That those in the ROI review process concentrate on substantive matters rather than stylistic changes that are sent back and forth to the special agent who wrote the report; that the Assistant Inspector General for Investigations coordinate with the DIG on a review process for ROIs with time limits on handling the reports at each stage of review; that Division management adopt a permanent ROI format (*Approved*).

**Ineffective Case Management.**

A unit-by-unit review of case files indicates that a large number of cases have been open for a substantial amount of time -- some since 1997 and 1998 with no significant investigative activity or determination made to close them. A review of case files found numerous instances of disorder and generally a lack of a clear picture for the reader of what the case is about.

(Executive Summary, Cont.)

**Recommendations:** That the AIGI and his managers review all open cases from a fresh perspective and determine the appropriate disposition of each, i.e., refer, close, investigate, etc.; that the case filing system be improved so that case material is filed in a more organized and logical fashion  
(*Approved*).

**ROI Production Not Commensurate With Investigative Activity.**

In fiscal year 1999, 11 ROIs resulted from 23 special agents working 257 cases. The Team believes this modest figure reflects: (a) the Division's rigid view of what constitutes an investigation, and (b) overly restrictive criterion for the kind of cases that are to be reported in ROI format, i.e., only cases in which recommendations are made. In addition, agents report that there are no clear policies, and no pressure to quickly start and complete ROIs.

**Recommendation:** That cases generating *significant* investigative activity regarding serious allegations, issues, or adverse conditions should be documented in ROIs, even if the allegations cannot be substantiated  
(*Approved*).

**INTRODUCTION**

**AND**

**EMPLOYEE SURVEY**



## INTRODUCTION

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### **Background**

The D.C. OIG was established by Mayoral Order 79-7 on January 2, 1979. Its current configuration was approved by Congress in Public Law 104-8 on April 17, 1995. OIG has a staff of 69 personnel that includes managers, administrative personnel, auditors, investigators, and inspectors. The OIG front office includes the Inspector General, the Deputy Inspector General, the General Counsel, the Special Assistant to the Inspector General for Communications, and an administrative unit headed by an administrative officer. The Audit Division conducts financial, performance, and technology audits of city agencies and programs. The Investigations Division investigates fraud, waste, and abuse. The Inspections and Evaluations Division was created to launch a program of assessing and analyzing the efficiency and effectiveness of D.C. agencies and programs. OIG occupies space on three floors at 717 14<sup>th</sup> Street N.W., Washington, D.C.

In May 1999, the IG decided that prior to inspecting other D.C. Government agencies, I&E would inspect the OIG in order to determine the office's own strengths and weaknesses and any need for reforms (Appendix 2).

### **Scope and Methodology**

After consultation with the IG, the inspection team established Terms of Reference to delineate the areas to be inspected and evaluated. The team looked at the organizational structure and the role of management; the effectiveness of major operations as measured against "best practices" and other management standards; the office's adherence to laws, regulations and policies; the sufficiency of the work environment; and tools and training available to employees to ensure productivity and quality of work.

The team began by conducting an anonymous office-wide survey to assess the personal opinions and attitudes of employees about all aspects of OIG. One-on-one interviews were conducted with each employee, and on-site visits were made to each functional area in OIG for first-hand observation of the work flow and other day-to-day business activities. Some

managers and employees were re-interviewed in order better to understand and analyze specific office operations.

## EMPLOYEE SURVEY

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The team administered an anonymous and confidential survey and questionnaire to all OIG employees to obtain opinions and determine attitudes regarding selected issues. The survey covered areas from organization and management to communication. Ninety-five percent of OIG employees responded to the survey, and the results are displayed on the following three pages. The chart on the following page shows what the survey results indicate are “Favorable” or “Unfavorable” opinions in the eleven major survey categories. The figures have been rounded to the next highest number for ease of reading. Some employees did not respond to some items under the major categories, so percentages do not always add up to 100%. In three categories, Policies and Procedures, Work Standards and Performance Evaluations, and Communication (in red) a clear majority indicated dissatisfaction.

As shown by the percentage figures, employee opinions about key areas of OIG management and operations are mainly favorable. In five areas, more than half of respondents indicated a favorable opinion. The number of unfavorable opinions about some key areas, however, approached or surpassed one-third of all employees surveyed and must be viewed with some concern. On the survey item concerning the overall OIG *Management Philosophy and Style*, for example, almost 44% indicated a favorable opinion. In that same category, however, 46% indicated unhappiness about specific management decisions that affect employees. Similarly, while almost 48% indicate positive feelings about the overall work environment and find their jobs satisfying, 55% do not believe there are realistic opportunities for advancement. There are also significant numbers of respondents who neither agreed nor disagreed with many of the survey statements. A detailed description of the survey process is at Appendix (3).

### Statistical Summary of Employee Survey Results

Category	Favorable	No Opinion	Unfavorable
Organization	47%	29%	27%
Management	44%	28%	28%
Work Environment/ Job Satisfaction	48%	24%	28%
EEO/Sexual Harass.	68%	16%	13%
<b>Policy/Procedures</b>	<b>24%</b>	<b>24%</b>	<b>58%</b>
Duties & Responsibilities	63%	13%	24%
Managing Responsibilities	52%	22%	26%
<b>Work Standards/ Perf. Evaluations</b>	<b>30%</b>	<b>27%</b>	<b>42%</b>
Training	68%	24%	7%
Computer System	55%	24%	21%
<b>Communication</b>	<b>30%</b>	<b>27%</b>	<b>42%</b>

OFFICE OF THE INSPECTOR GENERAL  
INSPECTIONS AND EVALUATIONS DIVISION  
**EMPLOYEE SURVEY**  
Summary - 56 of 58 Employees

tem #	Strongly Agree <b>A</b>	Agree <b>B</b>	Neither Agree nor Disagree <b>C</b>	Disagree <b>D</b>	Strongly Disagree <b>E</b>	Blank
<b>PART I - Organization</b>						
1 I understand and agree with the organizational structure.	8	17	12	14	5	0
2 The current structure supports the organizational mission.	10	17	17	9	2	1
3 This organization is sufficiently independent of the Mayor, City Council, Control Board and Congress.	6	17	19	12	1	1
	24	51	48	35	8	2
	44.6%		28.6%		25.6%	1.2%
<b>PART II - Management Philosophy and Style</b>						
4 My supervisor has clearly defined goals and priorities for my work.	9	16	19	9	3	0
5 There is open communication among all employees, both supervisors and non-supervisors.	6	19	8	17	6	0
6 Decisions affecting employees are made according to established policies and procedures.	3	6	21	17	9	0
7 My supervisor keeps me reasonably informed about issues that affect me.	7	27	12	7	3	0
8 I think top-level management (Assistant Inspector General and above) is effective.	8	18	17	9	3	1
9 I think mid-level management is effective.	3	25	17	8	2	1
	36	111	94	67	26	2
	43.8%		28.0%		27.7%	0.6%
<b>PART III - Work Environment/Job Satisfaction</b>						
10 My physical work environment is adequate and conducive to high productivity.	11	26	10	6	2	1
11 I understand how my job contributes to the overall mission of my organization.	26	24	4	2	0	0
12 People in my organization show professional respect for one another.	7	25	10	12	2	0
13 I am satisfied with the personnel and administrative support I receive.	6	21	9	14	6	0
14 I am given assignments and responsibilities that are career enhancing.	9	16	16	11	3	1
15 There are realistic opportunities for advancement in my organization.	2	10	13	16	15	0
16 My organization's awards policy is fair.	1	11	20	9	15	0
17 Outstanding performance is rewarded.	5	14	17	12	8	0
18 I am happy in my job and I do not plan to seek employment elsewhere.	9	14	22	5	6	0
19 I am sufficiently paid for my job responsibilities.	5	25	12	8	6	0
	81	186	133	95	63	2
	47.7%		23.8%		28.2%	0.4%
<b>PART IV - Equal Employment Opportunity and Sexual Harassment</b> ***						
21 I have experienced EEO discrimination in this organization.	4	8	11	18	13	2
22 I have been sexually harassed in this organization.	1	1	7	19	26	2
	5	9	18	37	39	4
	12.5%		16.1%		67.9%	3.6%
<b>PART V - Policies and Procedures</b>						
20 My organization has a published EEO policy and designated EEO counselor.	1	4	15	24	12	0
23 There are written policies to cover all aspects of my duties and responsibilities.	1	6	11	26	12	0
24 There are standardized procedures for reviewing my work.	1	6	13	21	15	0
25 Current procedures for reporting time and attendance are satisfactory.	7	27	14	6	2	0
	10	43	53	77	41	0
	23.7%		23.7%		52.7%	0.0%
<b>PART VI - Duties and Responsibilities</b>						
26 I have a job description that I have read and that I understand.	10	26	3	11	6	0
27 I am given the authority to do my job.	9	29	8	6	4	0
28 I am given adequate resources to do my job.	8	26	9	7	6	0
29 I am allowed to make decisions that should be made at my level in the organization.	7	26	9	9	5	0
	34	107	29	33	21	0
	62.9%		12.9%		24.1%	0.0%

OFFICE OF THE INSPECTOR GENERAL  
INSPECTIONS AND EVALUATIONS DIVISION  
**EMPLOYEE SURVEY**  
Summary - 56 of 58 Employees

Item #	Strongly Agree <b>A</b>	Agree <b>B</b>	Neither Agree nor Disagree <b>C</b>	Disagree <b>D</b>	Strongly Disagree <b>E</b>	Blank
<b>PART VII - Managing Responsibilities</b>						
30 The time frame established for most assignments is reasonable.	6	30	11	7	2	0
31 Assignments are fairly distributed and are manageable.	4	18	14	17	3	0
	10	48	25	24	5	0
	51.8%		22.3%		25.9%	0.0%
<b>PART VIII - Work Standards and Performance Evaluations</b>						
32 There are work standards and performance measurements in place for my duties.	5	17	12	12	10	0
33 I have adequate performance counseling during the rating period and there are no surprises in my performance evaluations.	6	6	18	17	8	1
	11	23	30	29	18	1
	30.4%		26.8%		42.0%	0.9%
<b>PART IX - Training</b>						
34 There are training opportunities available to support my professional development.	15	25	11	5	0	0
35 The training I have received is effective.	12	24	16	3	0	1
	27	49	27	8	0	1
	67.9%		24.1%		7.1%	0.9%
<b>PART X - OIG Computer System</b>						
36 I have received sufficient training to use the programs on the computer system.	6	23	12	13	2	0
37 The software programs in the computer system are easy to use.	9	31	10	5	1	0
38 The tracking system for managing cases and assignments is satisfactory.	6	17	19	10	4	0
	21	71	41	28	7	0
	54.8%		24.4%		20.8%	0.0%
<b>PART XI - Communication</b>						
39 This organization has effective communication between and among all levels of personnel.	5	9	18	19	5	0
40 I know about and understand how to use the organization's employee complaint system.	4	4	11	20	17	0
41 The employee complaint system works well and concerns are resolved in a timely manner.	2	4	22	16	12	0
42 We have done a satisfactory job in increasing public awareness of this organization and its purpose.	16	24	10	4	2	0
	27	41	61	59	36	0
	30.4%		27.2%		42.4%	0.0%

Note: The 42 items in the survey are grouped into 11 categories. Each category has four percentages shown on the same row. The percentages, as read from left to right, stand for strongly agree and agree, neither agree nor disagree, strongly disagree and disagree, and blank, where employees did not respond to the survey item.

\*\* Items in Part IV - Equal Employment Opportunity and Sexual Harassment: Favorable responses are answered as D or E.

**FINDINGS AND  
RECOMMENDATIONS:**

**OIG MANAGEMENT  
AND  
ADMINISTRATION**

# OIG MANAGEMENT AND ADMINISTRATION

## Administrative Operations

### 1. Management of Support Services: Improvements needed in management of services; clarity needed in staff duties and responsibilities.

All administrative operations in OIG are essentially managed by a single administrative officer (AO) who reports to the Deputy Inspector General. The AO supervises a staff assistant (SA) and a receptionist. The AO also has some oversight of division administrative assistants, oversees the Automatic Data Processing (ADP) Unit, and works closely with the OIG budget officer. The team's survey showed employees split fairly evenly on the question of satisfaction with administrative support, with a slight majority of respondents perceiving support as generally favorable. During interviews, on-site observations, and a focus group session, however, a number of areas surfaced where significant improvements are believed necessary, including management of subordinates, correspondence and information flow throughout the office, access to offices and information, purchase of items required for operational purposes, use of equipment, acquisition of routine desk supplies, internal dissemination of personnel information, IG employee orientation, and other matters.

It should be noted that the AO and her assistants work hard and often are under tremendous pressure. In conjunction with their support functions, they are responsible for a formidable array of administrative responsibilities that stretches thin their ability to perform them in a consistently satisfactory fashion. These responsibilities include: time and attendance, travel, training, purchasing, personnel actions, invoice accounting, imprest fund distributions, estimates and justifications for expenses, office policies, correspondence flow and filing, receptionist duties, personal property, liaison duties regarding office space and moves, telecommunication, security, D.C. Government financial and personnel systems, and building occupancy issues. Even this list is not all encompassing. The SA focuses primarily on time and attendance, data entry, small purchase orders, and training and travel requests. The receptionist is given virtually no duties other than receptionist duties. This leaves a large number of tasks that the AO attempts to cover single-handedly with decidedly mixed results. To the



AO's credit, however, requests or problems are eventually handled in spite of a backlog of such matters. The AO, working virtually alone, cannot carry out every task and resolve every issue in the expeditious manner that situations might require. Consequently, there are a number of recurring individual complaints from employees involving many of the above areas of the AO's responsibility. These complaints are symptomatic of the need for administrative reform.

Under the current configuration, the AO cannot fulfill other roles that might logically be considered AO duties such as OIG human resources officer, strategic planner for OIG administrative matters, and personnel management officer for subordinates regarding career counseling and training. The AO cannot establish and update office policies and procedures as required on a timely basis. Although charged with supervision of the ADP Unit, the AO has neither the time nor technical capability to effectively oversee this important operation.

**Recommendations:**

a. That the DIG and the AO undertake a detailed review of the administrative requirements of OIG with the goal of determining which tasks should be performed by the AO and which tasks can be delegated and to whom.

Approved     **Yes**     Disapproved                     

b. That a clearly defined Administrative Unit be established and staffed by the AO as chief, and four employees. Titles of all five employees could be adjusted to fit the adjustments in their duties.

Approved     **Yes**     Disapproved                     

c. That the DIG reassign responsibility/control of imprest funds to the budget analyst.

Approved     **Yes**     Disapproved

## 2. Internal and External Communication: Processes not effective.

There are no up-to-date policies and procedures for handling internal and external correspondence, mail, telephones, filing, access to OIG office space and security.

**Correspondence.** There is no effective system for moving internal correspondence from Point A to Point B in a timely fashion and with a guarantee of delivery. Documents are sometimes delayed or lost.

**Mail and Faxes.** The procedure for receipt, delivery and tracking of incoming mail and faxes is not clear.

**Telephones.** The receptionist position apparently remains unable to transfer calls to all telephones in the office.

**Filing.** The office files and filing system are outdated and there are no current procedures for their use and maintenance.

### **Recommendations:**

a. That all OIG employees have IN-OUT trays on their desks so that correspondence can be delivered and picked up during the business day by Division administrative assistants. When IN-OUT trays are not accessible, correspondence should be delivered to Division mail slots. Administrative assistants should keep chronological files containing copies of important incoming and outgoing correspondence as identified by Division and OIG management.

Approved \_\_\_\_\_ Disapproved Yes

b. That a procedures booklet be written for all significant administrative tasks, including the handling of correspondence, filing and maintaining office documents; the receipt, logging, and tracking the delivery of incoming mail; and travel.

Approved Yes Disapproved \_\_\_\_\_

c. That the telephone system be analyzed by a telephone company consultant and adjusted to work to its maximum effectiveness based on the needs of the office.

Approved Yes Disapproved \_\_\_\_\_

d. That all OIG employees have access to all OIG office space.

Approved       **Yes**       Disapproved                     

e. That alarm system and security procedures be updated and disseminated to all employees immediately. These procedures should include clear instructions for ingress and egress in alarmed areas, and clear instructions for resolving problems with the alarm system.

Approved       **Yes**       Disapproved                     

f. That the office files and filing system be updated to improve efficiency of use, ease of access, and to ensure that all files are complete.

Approved       **Yes**       Disapproved                     

**3. Computer Operations: Adequate, but not prepared for changing office needs.**

The Inspection Team found that the OIG ADP Unit has done a good job in providing ADP support to OIG with minimum staffing and limited resources. There has been no significant “downtime” of the computer network or widespread technical problems over the past fiscal year. The staff’s customer service has been excellent and is to be commended. As OIG grows, however, some existing areas of concern will become increasingly significant and should be addressed now.

- Current management interaction with the ADP Unit is insufficient. The head of the unit is supervised by the AO. The AO has neither the time nor sufficient familiarity with the requirements of computer operations to effectively oversee this operation. ***The result is that the unit has not been automatically brought into the decision making process on office-wide matters as basic as the OIG budget and the move to the fourth floor.*** The unit chief typically is not included in meetings where ADP matters are being discussed. Therefore, managers do not benefit from his expertise and, more importantly, he is not made aware of plans that directly affect the support his unit is charged with providing. As an example, he noted that he was not included in the initial discussion regarding a database to track OIG work hours, and when he did

receive the assignment to work on it, he was not given sufficient time to complete it.

- The ADP unit chief noted that during the past two budget cycles, ADP operations were not included in budget discussions. Consequently, he could not plan in advance for purchases and maintenance. The unit chief notes that although he has the resources he needs for day-to-day operations, he is not prepared for a catastrophic failure because there is no back-up system.
- The present staffing and structure of the ADP Unit does not allow the present staff time to establish processes and procedures that would enhance OIG computer operations. Although the three staff members of the data center unit provide exceptional service to users, there are processes and control procedures that do not exist but should exist, if we are to get a good return on our software and hardware investment. These processes and control procedures include quality control, job control, scheduling, training, software/hardware disposition and development, LAN administration, and job requests.
- The high level of satisfaction with the customer service aspects of the ADP Unit operations is due to the exceptional responsiveness and congenial personalities of the staff. These attributes, however, cannot make up for the insufficiency of only three ADP specialists being required to serve a rapidly growing staff of almost 70 employees located on three floors. Three people simply cannot expeditiously handle the myriad minor and major PC issues that arise each day of the workweek. As the work of OIG becomes more critical to the city government and gains the attention of Congress, we will be less able to tolerate a serious technical problem occurring as we prepare some important correspondence or report in a time critical situation.

### **Recommendations:**

- a. That the current ADP unit chief remains the principal manager and responsible officer for all day-to-day technical computer operations, but that he report directly to the IG. The IG, by using the expertise and resources of

his management team, can provide direction and management oversight of *office-wide* ADP matters as necessary.

Approved       **Yes**       Disapproved                       
(*ADP chief will report to the Deputy IG.*)

b. That the ADP unit chief be included routinely in all planning meetings in which it is known that ADP support will have a significant role in whatever matter is being discussed.

Approved       **Yes**       Disapproved                     

c. That the ADP Unit be assigned an additional FTE to assist in providing OIG support.

Approved       **Yes**       Disapproved                     

d. That the ADP unit chief work in conjunction with the IS Audit Director and consult with OIG management when considering software or hardware purchases that may have significant and long-term impact on office-wide computer operations. This recommendation should go into effect immediately. Firm criteria for making these decisions, however, should be determined during the IS Audit proposed below.

Approved       **Yes**       Disapproved                     

e. That the Information Systems Audit Group, in coordination with the ADP unit chief, conduct a ***technology audit*** of the OIG computer system and computer support operations to determine the effectiveness of current operations, areas of improvement needed, back-up system requirements, and near-term and long-term resource requirements.

Approved       **Yes**       Disapproved

**4. Office Supplies and Equipment: No written policies and procedures for procurement, storage, and inventory.**

The Team found that there are no written procedures for requesting and purchasing, storing, maintaining, and accounting for office supplies and equipment. A sheet is posted on the fifth floor bulletin board for staff members to request routine supplies. However, there is no follow-up process to advise requestors that supplies have arrived or that supplies ordered are unavailable. There is no inventory of supplies and office equipment on hand, and the fifth floor area allocated for the storage of the bulk of routine office supplies is disorderly, looks unprofessional, and is difficult to access and maintain.

**Recommendations:**

a. That procedures be established for ordering, acquiring, storing, and accounting for all office supplies and equipment.

Approved     **Yes**     Disapproved                     

b. That an inventory be done of all office supplies and equipment. Consultation with the Audit Division should provide some guidelines for what should be included in such an inventory and assistance in actually conducting the inventory.

Approved     **Yes**     Disapproved                     

c. That the AO explore alternatives to the existing arrangement for storing and accessing office supplies. A more accessible location and better storage cabinets or containers are key considerations.

Approved     **Yes**     Disapproved                     

**5. Time and Attendance: Some employees are not adhering to the sign-in policy; alternative work schedules favored.**

*Time and Attendance.* The inspection found that some employees are consistently not signing in on the time and attendance sheets in accordance with office policy as outlined in the OIG Policy and Procedures Manual.

Consequently, the Time and Attendance (T&A) Clerk cannot verify the whereabouts or leave status of those employees for T&A reporting purposes.

**Recommendation:**

That the T&A Clerk, the AO, and the DAIGs review time and attendance procedures and draft an office memorandum for approval by the IG and dissemination to all employees. The memorandum should highlight the IG's directive that all OIG employees will personally sign in and sign out, or otherwise have their attendance officially verified to the T&A Clerk each workday. Options should be explored for sign-in and sign-out procedures that will allow a reasonable means for recording and tracking time and attendance, particularly by agents, auditors, and inspectors who may spend considerable time in the field. The memorandum should also describe the appropriate policies and procedures for overtime pay, and granting, using, and accounting for compensatory time.

Approved       **Yes**       Disapproved                     

***Alternative Work Schedules.*** Many employees favor alternative work schedules. Under this system (Appendix 4), an employee's daily or weekly schedule may have varying hours, but the basic 80 hours per biweekly period and all standard time and attendance rules still apply.

**Recommendation:**

That the IG and his OIG management team consider adopting alternative work schedules to enhance employee productivity and morale, and provide better management of annual and sick leave.

Approved                      Disapproved       **Yes**      

**Personnel Management**

**1. Hiring Policy: Completion of written policy and procedures should be expedited.**

The survey and interviews reflect extensive criticism and mistrust of OIG management decisions during recent hiring exercises. A significant

number of employees believe some hiring decisions have been based on cronyism and other personal factors rather than strict, objective evaluations of qualifications.

**Recommendation:**

That the DIG complete and disseminate a policy on hiring that is explicit and in consonance with both the hiring standards and policies promulgated by the District Government and the authorities granted to the IG as head of an excepted service agency. This policy should be completed and disseminated within 30 days after this report is signed by the IG.

Approved       **Yes**       Disapproved                     

**2. Performance Evaluations: Many employees are unhappy with the performance evaluation process.**

Employees expressed strong dissatisfaction with how performance evaluations are written and handled in OIG. They are particularly unhappy with the lack of interim performance discussions during the reporting period and were upset when supervisors surprised them with critical comments on/during the Performance Appraisal (PA). A number of auditors complained about the subjectivity of the PA form used recently. There were employees in both Divisions who complained that PAs either were late or they had not yet received one. Employees are not routinely given PAs in draft for review and comment, but receive the finished document to be signed and delivered to D.C. Personnel.

**Recommendations:**

a. That all OIG supervisors establish a schedule for interim performance counseling sessions with each employee during the current reporting period.

Approved       **Yes**       Disapproved                     

b. That the DAIGs and the AO coordinate with the General Counsel in developing a performance appraisal form for use throughout OIG that satisfies any particular evaluation needs they might have and that still essentially conforms to the format established by D.C. Personnel regulations.



Approved Yes Disapproved \_\_\_\_\_

**3. Training: OIG is not complying with requirements for training plans and an employee development program.**

Section 1-614-1 of the D.C. Code requires agencies to submit annual training plans. In addition, the D.C. Office of Personnel mandates coordinated employee development efforts in each agency. OIG is not in compliance and needs to develop a training program and assign training coordinator duties. The training coordinator would have or would develop the knowledge and experience to assess the training needs in each area of the office, identify training sources and costs, develop individual training profiles for OIG employees and other training and career development related responsibilities.

**Recommendation:**

That the IG appoint a training coordinator.

Approved Yes Disapproved \_\_\_\_\_

**4. EEO/Sexual Harassment: Procedures need updating; some issues noted in the employee survey.**

The Team found that OIG is not in *active* compliance with D.C. Government regulations on Equal Employment Opportunity programs and procedures. There are no up-to-date policies and procedures and no EEO program. Although an EEO officer and EEO counselor were appointed in 1995, neither appointee seemed aware that they were still on the record as holding those titles. A notice on EEO matters is required by D.C. Municipal Regulations, Title 4, Chapter 1, paragraph 104.1(e) to be posted in a prominent place in each office. OIG is not in compliance with this requirement.

The employee survey and interviews do not reflect EEO or sexual harassment as a serious problem in OIG. There are, however, some EEO complaints and allegations that OIG management is aware of and is working to resolve.

## Recommendations:

a. That the IG appoint, as soon as possible, a new EEO counselor and a new EEO officer and ensure that they receive the necessary training.

Approved Yes Disapproved \_\_\_\_\_

b. That the IG direct the General Counsel to review, update, and rewrite as necessary office policies and procedures on EEO, sexual harassment, and affirmative action that will go into a policy document signed and published by the IG. The content of this document should be in line with the D.C. Code, D.C. Personnel Regulations, and any applicable federal EEO laws. This document should contain the name of the OIG EEO officer and counselor, and be posted prominently in OIG office spaces.

Approved Yes Disapproved \_\_\_\_\_

## Organization and Operations

### 1. **Management Staff: Employees believe that there are too many managers and too few non-managers.**

There is a widespread belief among OIG employees that the number of managers is out of proportion to the number of non-managers. In both Audit Division and Investigations Division there are managers, senior in both grade and experience, supervising as few as two or three employees. There is a perception among employees that the quantity and quality of work produced in these areas do not justify the salaries being paid. The inspection team shares this perception.

The IG is aware of this sentiment and states that he knows that salaries as they relate to responsibilities are “out of whack.” He explained that because of the transitional nature of today’s OIG, the structure had to be built from the top down. An experienced and qualified management team had to be assembled quickly in order to establish an organization that could begin operating immediately in a competent manner. Now that senior level officers are in place, OIG can focus on bringing in more entry-level employees and others with experience but with lower salary expectations. This will take a certain amount of time based on budget and legislative

considerations, but in the long run, OIG will have a normal manager-to-employee ratio throughout the office.

**Recommendation:**

That the IG and DIG explore ways to effectively use the experience and skills of the most highly-paid managers and staff employees. In some instances, for example, duties might be expanded to include substantive investigative or audit activities that will help boost production in those areas. This group could also develop and carry out planned and ongoing briefings to every city agency and lesser city entities about OIG operations where they could answer questions and provide advice and guidance in the areas of concern to OIG.

Approved       **Yes**       Disapproved                     

**2. Hotline: Updated procedures needed.**

The OIG Hotline operation has no serious deficiencies, but improvements can be made to enhance its usefulness.

**Recommendations:**

a. That the Investigations Division in coordination with the Audit and Inspections Divisions and the DIG draft updated Hotline procedures. Procedures should cover areas such as handling walk-in clients; telephone etiquette when speaking to callers and soliciting information from them; and clarifying the kinds of calls that must be logged and those that should be assigned case numbers. Agents should not spend time logging wrong numbers, for example. Up-to-date city directories, a checklist of questions to be asked callers and follow-up steps to be taken would benefit experienced agents as well as newly assigned agents.

Approved       **Yes**       Disapproved                     

b. That those who change scheduled Hotline duty days promptly inform the entire OIG staff by email so that all employees have accurate, up-to-date information as to who is covering the Hotline at a given time.

Approved       **Yes**       Disapproved

### **3. Coordination Among Staffs: There is room for improvement.**

The Team found that a fair amount of coordination routinely takes place between the Audit and Investigations divisions, which share information on current and past cases by means of informal dialogue and exchange of written reports. There have been occasions reported, however, when information was denied without adequate explanation or case or audit material was unavailable or inaccessible. The number of audits and investigations in which all divisions have some interest or equity is likely to grow, and knowledge of essential facts must be shared easily and routinely, except where there are overriding prosecutorial interests.

#### **Recommendation:**

That the AIGs develop a simple protocol to alert each other to each other's activities and information that may impact on their particular area of operational concern. This is particularly important when activities may be in progress or planned by two or more divisions in the same agency or area of government. Information regarding assignments, cases, subjects, reports, and other data should be shared and accessed freely where there are no external restrictions beyond OIG's control.

Approved     **Yes**     Disapproved                     

### **4. Motor Vehicles: Management and policies should be reviewed and improved where needed.**

The 1995 OIG Policy and Procedures Manual provides some solid basic guidelines for managing and accounting for the use of government vehicles assigned to OIG. Current documentation does not accurately reflect the number, condition, maintenance history and usage of OIG vehicles. The inspection found only one agent who had established and maintained a vehicle usage and mileage record for his assigned vehicle.

The majority of employees who use OIG vehicles in the course of their duties complained that vehicle condition is poor and, in some cases, unsafe. Auditors complained that the two cars assigned to them are in such poor condition that they use Metro or their own vehicles.

**Recommendations:**

a. That following an inventory of OIG vehicles, procedures and accountability forms be updated and used for vehicle use in OIG.

Approved       **Yes**       Disapproved                     

b. That vehicles be assigned to the OIG rather than to a particular division, and that their use be centrally managed and monitored.

Approved                      Disapproved       **Yes**      

**5. Publicizing OIG: Raising public awareness of the OIG role in the D.C. Government can lead to increased reporting of fraud, waste, and abuse.**

The publication of flyers, media ads, and public service announcements will call attention to the role of OIG in helping to reduce fraud, waste, and abuse in D.C. Government operations. The team proposes that a professionally-prepared brochure describing the OIG organization and its investigative, audit and inspection activities be developed as soon as possible. In addition, an employee or contract media specialist could play a significant ongoing role in publicizing the office and its mission to D.C. Government workers and the public. The media specialist could coordinate and conduct briefings and seminars for government employees and citizens; attend agency meetings, new employee orientations and training courses; be a contact for individual citizens and organized groups with fraud, waste and abuse complaints; and handle relations with the news media.

**Recommendations:**

a. That work begin as soon as possible on a OIG brochure. This task could be assigned to Audit's Special Projects Unit or to the IG's special assistant when hired.

Approved       **Yes**       Disapproved

b. That the IG's special assistant be tasked with those duties cited above for publicizing the mission and activities of OIG.

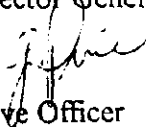
Approved Yes Disapproved \_\_\_\_\_

**OIG MANAGEMENT  
AND  
ADMINISTRATION  
COMMENTS**

## MEMORANDUM

TO: Charles C. Maddox, Esq.  
Inspector General

THRU: Richard Sullivan  
Deputy Inspector General

FROM: Grace Price   
Administrative Officer

DATE: October 5, 1999

SUBJECT: Comments on the Inspection & Evaluation  
Report

Before providing my comments regarding the Inspection and Evaluation (I&E) Report findings, first I would like to provide a brief history regarding the Administrative Unit and why it's at the stage it is today.

In 1995, prior to the re-establishment of the Office of the Inspector General by the Authority, the OIG had been reduced from a staff of 26 employees to 7 because of an early-out retirement and a reduction-in-force. At that time, because the OIG did not have any funds to hire additional staff and in order to keep the office functional, the Administrative Officer (AO) had to assume the duties and responsibilities of three employees (Budget Analyst, Purchasing Agent, and Office Manager). Because the office was so small at that time, the AO had no problem assuming those functions. However, when the Authority re-established the office, thereby increasing the budget from \$728,000 to \$7M, and increasing the staff from 7 FTEs to 40 FTEs, *there was never an increase in support staff*. Even now, when the FTE level has increased even greater to 69 FTEs, *there was never an increase in the administrative support staff*. When Prettyman was the IG, this matter was brought to his attention and he approved the hiring of a Budget Analyst. But there are still two more positions that have not been replaced and which are very much needed. Moreover, as indicated in the I&E Report, a lot of my duties have been put on hold simply because my time is spent on performing other needed tasks within the office. Until now, very little attention has been given to the Administrative Unit (AU) as far as staffing is concerned, but everyone must realize, the AU is to the OIG as an axle is to a wheel – without the AU, there is no OIG or any other agency.



In light of the above, I will now express my comments regarding the report. First of all, the report was good, I thought, and for the most part, true. As indicated, there are inadequacies, not only in the AU but throughout the agency. However, I feel that this stems mainly from the constant change in leadership over the past three years (four IGs since 1996). *I don't feel that the inadequacies are a result of anyone not knowing his/her job but simply because two people cannot provide the adequate assistance needed for a staff of 69 employees.* Also, since 1996, with the constant change in leadership, the AU, as well as the whole office, has been so busy with hiring new staff, purchasing equipment, and acquiring additional space, there has not been the proper time to concentrate on anything else. But now that we have a permanent IG, finally getting a sense of stability, we are now getting to the point where all of these things can start to be put into place, of course, *with additional support staff.*

## **MY COMMENTS REGARDING THE I&E REPORT RECOMMENDATIONS**

### **1. Management of Support Services**

#### **Recommendations:**

- a. I have no objections to undertaking a review of the administrative requirements with the DIG to determine which tasks, if any, can be delegated out. The question is, delegate to whom?
- b. I agree with the establishment of a clearly defined AU with five employees, but who are these employees?
- c. I have no problem with the responsibility of the Imprest Fund being given to the Budget Analyst.

### **2. Internal and External Communication: Processes not Effective.**

The I&E Report indicated there were no up-to-date policies and procedures for handling internal and external correspondence, mail, telephones, filing procedures, access to OIG office space and security procedures. This statement refers back to my previous statement -- the office has been so busy trying to revamp, there has not been much time to concentrate on these issues. Further, there has not been proper staff to perform these tasks.

**Recommendations:**

- a. I feel that individual IN-OUT trays are not the responsibility of the AU. This is an individual preference. Also, it is up to the Division heads to decide what files his/her AA needs to maintain, not the responsibility of the AU.
- b. I don't feel that all of these type of procedures are relevant.
- c. When the OIG moved to 717 14<sup>th</sup> Street in 1996, a Bell Atlantic consultant came in and provided telephone recommendations based on what the office needs were at that time.
- d. I don't understand what is meant by this statement -- that all OIG employees have access to all OIG office space. *All OIG employees have access of all floors occupied by the OIG.*
- e. There are updated alarm and security instructions and all staff should have them.
- f. I agree that the OIG files be updated to improve efficiency of use.

**3. Computer Operations: Adequate, but not prepared for changing Office Needs.**

I agree with the recommendations made regarding the ADP Unit. However, I feel the ADP Unit Chief should report to the DIG rather than to the IG.

**4. Office Supplies and Equipment: No written policies and procedures for procurement, storage, and inventory.**

Even though there are no written policies for the above, there have been follow-ups to inform staff on the availability of supplies, etc. Orders for storage cabinets have been placed for storing supplies. I don't feel that a Sign-Out policy needs to be implemented.

**5. Time and Attendance:**

**Recommendations:**

- a. A Sign-In Sheet is already in place and anyone going out in the field during the normal working hours must sign out to the destination of which he/she is going. The Division heads should be held accountable for seeing that their employees are following these procedures.

- b. **Alternative Work Schedules.** This has to be cleared through the CAPPS system.

**FINDINGS AND  
RECOMMENDATIONS:**

**AUDIT DIVISION**

## AUDIT DIVISION

### Audit Management

**1. Audit Review Process: Division employees urge a faster review and approval process for audit reports.**

Management and auditors are very concerned about the amount of time it takes for a completed audit to be approved and disseminated. Because some audit reports have taken as long as 5-6 months after the original report was written to be disseminated, there is a perception that delays are at the level of senior Division management and the DIG. Report writers also complained that final reports often are disseminated without their seeing changes made during the review process and verifying that their original conclusions have not been altered.

Division management acknowledges that some reports were under review for lengthy periods. They state, however, that draft reports often require much additional work and it is vital that reports are accurate and well-written before being released to the public. Steps have been taken to ensure that there are no unnecessary delays in the review process, and that report writers are kept informed about any substantive changes in the original text. Division management stated that directors have previously been instructed to go back to report originators before sending the report forward to ensure accuracy and proper support.

### **Recommendations:**

a. That Division management set a standard for time of review at each stage of the process. The first-line supervisor, for example, would be allocated more time than the DAIGA. The DAIGA or the AIGA should continue to track each report under review to ensure that those in the review chain adhere to the time standard.

Approved Yes Disapproved \_\_\_\_\_

b. That Division management ensure that reviewed audit reports be seen by the writer(s) before being printed and disseminated.

Approved Yes Disapproved \_\_\_\_\_

**2. Compliance with Federal Standards: The Division is in compliance with Government Auditing Standards; Peer Review scheduled.**

The Division is compliant with the Government Auditing Standards (GAS), which are the basic federal standards for audits. All Division auditors meet the education and training requirements under the Standards. The DAIGA periodically reviews selected reports and workpapers to determine compliance with GAS. Each audit has an audit program that identifies the purpose, background, objectives, and scope of the audit. The audit supervisor monitors the audit by a checklist that includes preliminary audit steps, preliminary fieldwork, and review of internal controls (testing identification, validation, verification, and conclusion). The Division has implemented a new policy requiring that a person independent of the audit will index the information in the report that references the workpapers. Audit directors use a Supervisory Review Sheet checklist to ensure that all required information is contained in an auditor's workpapers. A Peer Review is required by GAS every three years, and the Division has scheduled its first for the first quarter of 2001.

**3. Follow-up on Recommendations: The Division does not have a system in place to track compliance with all audit recommendations.**

The division is developing an automated tracking system in order to follow-up on compliance with audit recommendations. Currently, however, complete information as to how and whether agencies have complied or are complying is not available. When the new tracking system is in place, directors will be responsible for inputting the required case data into the new system within 30 days after a final audit report is published. The Special Projects Unit will be responsible for tracking agency compliance with approved recommendations. A written policy on audit follow-up has been issued.

**Recommendation:**

That Division management continue to give high priority to putting the new tracking system and companion policies and procedures in place.

Approved Yes Disapproved \_\_\_\_\_

**4. Policies and Procedures: The Division has begun updating policies and procedures.**

A majority of Division employees expressed concern about the lack of updated policies and procedures. Some, in fact, believe that there are none at all. This latter perception is incorrect. The 1995 OIG Policy and Procedures Manual contains a substantial section on Audit Division procedures. As is the case in the Investigations Division, however, neither managers nor auditors seem to consider the current handbook either valid or sufficiently useful to rely on for guidance in their day-to-day audit operations. Consequently, the Division is developing a handbook that will update all Audit Division policies and procedures. Some auditors expressed concern that the handbook is being done in a fragmented fashion by various directors and fear that it will lack cohesiveness. The Director of Special Projects, however, is coordinating this effort and should ensure a product that is uniform in tone and usefulness. Draft policies and procedures have been disseminated to staff for comment and implementation. Recently completed drafts cover record keeping for time spent on an audit, audit follow-up, permanent case files, employee training, and report processing and distribution. The Division has developed an operations guide that provides guidance and methodology in audit operations until the handbook is completed.

**Recommendations:**

a. The process of updating the policies and procedures be completed as soon as possible.

Approved     **Yes**     Disapproved                     

b. That any current operations not conforming to the new policies and procedures are adjusted as appropriate.

Approved     **Yes**     Disapproved

## Organization and Management

### 1. Contract Audits Unit: Structure has potential for a conflict of interest.

The Contract Audits Unit (CAU) manages OIG contracts with private auditing firms. These firms conduct audits in city agencies and their work is overseen by CAU. The present CAU Director/Contract Specialist handles all aspects of these contracts: oversees selection, monitoring, and payment. Some auditors believe there should be a separation of the responsibility for selecting the contractor and evaluating its performance in line with standards for other auditing operations to avoid potential questions of a conflict of interest.

#### Recommendations:

- a. That Division management rearrange the duties of CAU so that all critical functions are not vested in one employee

Approved Yes Disapproved \_\_\_\_\_

- b. That the Division fill this position with a contract specialist with audit background who is familiar with District and Federal regulations and has expertise in issuing contracts.

Approved \_\_\_\_\_ Disapproved Yes

- c. That the unit's DS-14 auditor be reassigned to Performance Audits.

Approved \_\_\_\_\_ Disapproved Yes

### 2. Information Systems Audit Unit: Needs increased staffing to deliver required services.

As agencies update old systems and purchase new systems to improve their information technology (IT) posture, the ISA Unit should be conducting system development audits but is not sufficiently staffed to do so. These audits evaluate cost effectiveness, quality of controls and operations, data security and similar factors. There are 378 computer systems in the District Government, many of which are outdated and



providing insufficient support to agency personnel and programs. The ISA Unit should be evaluating the impact of old systems on the quality of IT support in these agencies and making recommendations for improvements. In addition, the director of the ISA Unit noted that thousands of District and contract employees have access to major systems, and data security audits and risk analyses should be done routinely by his unit.

Division management recently restructured the unit and increased the staff to five auditors. However, they are not all trained in IT and the unit does not focus primarily on IT audits but also does performance audits.

**Recommendations:**

a. That Division management assign more IT-trained auditors to the unit and the unit be responsible only for IT audits.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ **Yes**\_\_\_\_\_

b. That any project or audit that primarily involves data processing such as the Y2K readiness project be assigned to this unit.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ **Yes**\_\_\_\_\_

**3. Performance Audit Unit: Requires the largest percentage of auditors.**

Two of the three auditors scheduled to be reassigned to Special Projects Unit from the Performance Audit (PA) Unit should not be moved. Such a move would leave the PA unit with four auditors at DS-14 and one auditor at DS-9. This increases the likelihood that senior auditors will be assigned audits that could be done by junior auditors. Once these moves actually take place, auditors assigned to other units will be required to do performance audits since the PA unit will have fewer auditors.

**Recommendations:**

a. That more entry-level auditors be hired for the PA unit.

Approved \_\_\_\_\_ **Yes**\_\_\_\_\_ Disapproved \_\_\_\_\_

b. That Division management leave two auditors now scheduled for reassignment to Special Projects in the PA unit.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ **Yes** \_\_\_\_\_

c. That senior auditors assist the Director in a wider range of supervisory responsibilities as “Team Leaders”.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ **Yes** \_\_\_\_\_

d. That Performance Audits stay under one unit.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ **Yes** \_\_\_\_\_

**4. Special Projects Unit: Fills a need in the Audit Division by undertaking a variety of important projects.**

The Special Project Unit (SPU) in the past focused on the Y2K readiness project. Since a new Director has been appointed, SPU is now responsible for audit recommendation follow-up, preparing the Division policies and procedures handbook, preparing audit files, monitoring training requirements, and job cost analysis. SPU is also becoming involved in public awareness/public relations, preparing audit information pamphlets for District agencies and preparing oral presentations on audit procedures. Many of the duties of the SPU will not require auditing expertise. Division management plans to assign performance audits to SPU in addition to special tasks. This may diminish SPU’s ability to effectively carry out important special projects for the Division.

**Recommendations:**

a. That the name of the unit be changed to reflect those audit tasks that are not special projects.

Approved \_\_\_\_\_ **Yes** \_\_\_\_\_ Disapproved \_\_\_\_\_

b. That the unit not be assigned a full load of routine performance audits.

Approved       **Yes**       Disapproved                     

c. That the unit tracks audit recommendations as well as referrals to the Investigative Division and outside agencies.

Approved       **Yes**       Disapproved                     

## **Personnel Management and Work Environment**

### **1. Management Decisions: Auditors complain about lack of input into management decisions that affect them.**

Auditors are generally satisfied with Division management and expressed confidence in management's competence and ability to lead the Division. A number complained, however, about not being included in planning and decisions that affect them directly, such as restructuring the organization, reassignments, and the move to the fourth floor. While reaction to the fourth floor move has been generally favorable, there remain some concerns about cramped space that auditors hope management will consider and respond to. In addition, some expressed concerns about the upcoming reassignments and the resulting confusion about their duties.

#### **Recommendation:**

That Division management pay closer attention to the "taking care of people" aspects of management responsibilities. This means considering the personal and professional goals and aspirations of Division employees when making personnel management decisions such as reassignments, promotions and when making significant changes to the physical environment. Briefing employees in advance of such decisions promotes mutual respect and a sense of inclusion and participation, even if there is disagreement with management's actions. Management's philosophy in this regard should be documented and disseminated to Division employees.

Approved       **Yes**       Disapproved

**2. Job Satisfaction: High, but auditors want better use of their skills.**

Most auditors expressed a great deal of satisfaction with their jobs and the part they play in the OIG mission. However, they complained about performing unchallenging audit duties that should be assigned to entry-level auditors. Auditors criticized the pairing of senior auditors on projects that do not require that level of experience and expertise. They noted that this is in part a result of so few entry-level auditors being hired.

**Recommendation:**

That Division management hire more entry-level auditors.

Approved     **Yes**     Disapproved                     

**3. Performance Evaluations: Process is deemed unsatisfactory.**

A number of auditors complained that recent performance evaluations were unsatisfactory and had not been preceded by interim counseling. The evaluations were perceived as very subjective and contained critical statements not supported by documentation.

**Recommendations:**

a. That Audit supervisors establish a schedule for interim performance counseling sessions with each employee during the current reporting period.

Approved     **Yes**     Disapproved                     

b. That the DAIGs and the AO coordinate with the General Counsel in developing a performance appraisal form for use throughout OIG that satisfies any particular evaluation needs they might have and that still essentially conforms to the format established by D.C. Personnel Regulations.

Approved     **Yes**     Disapproved

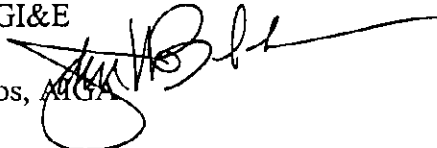
**AUDIT DIVISION  
MANAGEMENT  
COMMENTS**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Charles C. Maddox, Esq.  
Inspector General



MEMORANDUM

TO: Al Wright, AIGI&E  
FROM: John N. Balakos, AIGA   
Date: September 10, 1999  
Subject: Response to Draft Inspection Report

As requested we have reviewed the draft Inspection reports of 9/3/99 and 9/8/99 and as we discussed on 9/3/99 and 9/9/99, we feel the report requires clarification to provide a more accurate portrayal of the Audit Division operations. At our meeting on 9/9/99 we reached agreement of facts on the Section titled "Audit Management". Accordingly, we request that the following comments be incorporated in the report, as appropriate, for the remaining Sections.

I'm confident that the Inspection process will not only benefit the Audit Division, but will be of value to the whole Office of the Inspector General. If I can provide you with any other information on this matter please let me know.

Attachment

## ORGANIZATION AND MANAGEMENT

### 1. Contract Audits Unit: Structure has potential for a conflict of interest.

We agree that the current structure has the potential for a conflict of interest. We also agree with Recommendation a. that Division Management rearranges the duties of the Contract Audits Unit (CAU) so that all critical functions are not vested in one employee. We have already addressed this item in that we have spoken to both the Inspector General (IG) and the Deputy IG about how we are going to handle this after the current Director leaves the position in December. At the present time, we are allowing the current Director to serve out his term because of his experience and knowledge of the contracting law, policies, practices, and of the District Government as a whole.

The last statement in the paragraph states that the present duties of the auditor assigned to contracts do not require DS-14 expertise. The assigned auditor does not have individuals working for him. However, his duties require his grade because of the following: he monitors the contracts for determining that deliverables will take place, he makes judgements on whether auditing standards have been followed in the audits by the Certified Public Accounting firms. He interacts with executives in both private industry and in Government. In addition, he interacts with executives in the Federal Government when the audits involve the Single Audit Act. His decisions and judgement require a high grade of the DS-14 calibre to make these decisions and judgements. Moreover, this operation approximates a dollar magnitude of \$12 million which flows through this Office.

- a. We are in agreement with Recommendation a.
- b. For Recommendation b., we do not agree that the position should be filled with a contract specialist. The position should be filled with an individual who is an auditor and has expertise in issuing contracts. This Director will have supervisory responsibility over the statutory audit requirement to perform the procurement audits required under the Procurement Practices Act on a continuous basis throughout the year. In addition, this Director will be responsible for overseeing, selecting, and monitoring the external audit contracts that are let out of this Office. Two Senior people will assist this Director to carry out these functions
- c. We do not agree that a Contract Administrator should be placed under the Director of Special Projects. After the new Director is placed in the position stated in b. above, the contract payment function will be transferred to the Director of Special Projects. An entry-level auditor will be assigned to carry out this function as an added duty in this Unit. This will satisfy the separation of duties between the letting and overseeing of contracts, and the payment of those contracts.

2. We agree that the Information Systems Audit Unit needs increased staffing to deliver needed services. At present, many of the audits are performed after systems are in place and the effectiveness of these systems could be questioned. It would turn out to be more expensive for the District to correct the deficiencies after systems are in place rather than when they are completed and we subsequently perform the audit and find that improvements are needed. However, we must also be careful to delineate between the audits of systems and giving advice to build a system. In the latter case, our independence could be compromised in that we could not audit the system after it is in place if we were instrumental in any decisions on how that system would be developed. In addition, we do not agree with the statement made in the report that if the unit is required to perform Performance Audits in addition to IT audits, it will be less effective in carrying out its IT duties. All our audits are performance audits, whether they be IT audits, contract audits, procurement audits, etc. We believe that we could possibly change the names of the various units to reflect the audits they perform, in addition to performing the performance audits because all the auditors are expected to conduct performance audits, no matter what Unit they are in.

Recommendations:

- a. We agree that more IT trained auditors are needed because the District is developing more and more new systems. We do not agree that IT-trained auditors be limited only to IT audits. These are still performance audits. We are too small a staff and have a large significant universe to audit. This is why we cannot limit the work of the auditors, especially when all are expected to conduct performance audits. The financial audits are left to the contract auditor.
- b. We do not agree that any project or audit that involves data processing such as Y2K readiness be assigned to the IT Unit. The Y2K area is more than just IT. It also involves non-IT functions such as contingency plans, manual systems, management communication and coordination, etc. In addition, the audit must collectively possess all the skills required to perform audits in the most efficient manner possible. This is stated in the Government Audit Standards (Yellow Book). We believe this recommendation should be removed in that it would require the Audit Division to operate in a less effective manner, and not in accordance with the Audit Standards.



## **Section Organization and Management**

### **Performance Audit Unit (Finding 3)**

The Performance Audit Unit performs audits of various functional areas and does not specialize in one particular functional area such as information technology or procurement. As your report indicates we need additional resources to cover critical District agency operations. However, we do not agree that placing most of our resources under one unit is prudent or conducive to production. Because it would place an undue burden on one person/unit thus slowing down our production of audit reports. Commensurate with additional resources we anticipate creating another performance audit unit. In the interim we must and will continue to allocate resources and audits among our existing audit units in order to accomplish our mission.

#### **Recommendations**

- a. If our FTE ceiling increases we will do this—see comments on Job Satisfaction.
- b. Disagree. See comments on Special Projects.
- c. Disagree. This is already being accomplished; therefore no recommendation is needed.

### **Special Projects (Finding 4)**

We disagree with your conclusion that many of the duties of the SP unit do not require audit expertise. In fact all the functions require audit background and knowledge. Additionally it was never our plan to assign this Unit a full load of performance audits, but as addressed elsewhere in our comments all our auditors are expected to perform audits.

We agree that the name of the SP Unit be change to more accurately reflect the audit responsibilities associated with that Unit.

#### **Recommendations**

- a. Agree. Action will be taken to change the name of this Unit.
- b. This recommendation is not needed because we are not assigning this Unit a full load of audits and never planned to do this.
- c. As discussed, we are already addressing this issue; therefore this recommendation is not needed.

## **Section Personnel Management and Work Environment**

### **Management Decisions (Finding 1)**

Your comments concerning input to management decisions are noted and we will continue to seek input into those decisions as appropriate. For example, we hold

regularly scheduled staff meetings, we have formed ad-hoc task groups and asked for volunteers to work on such items affecting all of us--such as--audit division performance measures, auditor performance standards, internal quality control mechanisms, training, and other issues. Additionally we held for the first time an all hands planning conference for the year 2000. We do document and disseminate (documentation has been provided to the Inspection Team) to Division employees, as appropriate, information regarding Division operations. However, it needs to be recognized that all management decisions can not be formed on the basis of a consensus, but in the best interest of the organization as a whole.

#### Recommendation

- a. We have and will continue to address this issue.

#### **Job Satisfaction (Finding 2)**

Your finding is noted. However, because of the size of our office all auditors including the Directors are expected to be working managers which may require personnel at times, for example, to schedule transactions, run adding machine tapes, and organize working papers. We, including myself, do not have the luxury to always delegate tasks. In regards to hiring more entry level auditors we have recently hired three entry level auditors bringing our total of junior auditors to over 20 percent of our entire staff.

#### Recommendation

- a. We have accomplished this; therefore the recommendation is not needed. See comments above.

### **Performance Evaluations (Finding 3)**

Although, this area is being addressed under a separate section, the Audit Division offers the following comments: We recognize that the performance evaluation process needs improvement and this issue has been discussed with all audit staff. The Audit Division has a process in place that we feel is not sufficient. As a result, we formed an Ad-Hoc task group composed of auditors to address this issue. This group has made significant progress in the development of performance standards and has researched District personnel regulations and contacted other IGs. We would be more than happy to share our information with Inspection prior to final resolution of this issue.

**FINDINGS AND  
RECOMMENDATIONS:**

**INVESTIGATIONS  
DIVISION**

## **INVESTIGATIONS DIVISION**

### **Case Management**

#### **1. Report Review Process: Not working.**

Both managers and agents believe that the review and approval process for the Report of Investigation (ROI) and the Memorandum of Closure (MOC) is not working. Agents believe the breakdown occurs between the AIGI and the DIG because of excessive “wordsmithing” rather than reviewing and editing for substance and clarity. One draft ROI reviewed by the team had been returned to the agent six times for changes made by the AIGI and the DIG. Five weeks after the agent submitted the report it was still being reviewed. Summarized below are some of the comments from Division employees regarding the review process:

- It literally takes weeks or months to get cases through.
- Final reports are stuck with the DIG.
- Paperwork builds and gets lost in the AIGI’s office.
- Between the AIGI and the DIG, reports are bogged down because
- of stylistic changes and because the reports sit in their in-boxes.
- There needs to be a partnership in getting the product out rather than obstructions.
- The DIG dictates on a case-by-case basis how he wants the report to look.
- MOCs, which are not disseminated outside of OIG, go back and forth through various layers of review for weeks.
- When a report goes to the AIGI’s office, it could stay there forever.
- The DAIGI reportedly was put into the position he occupies in order to deal with this problem.
- There is no set format for reports. There are many changes -- sometimes from day to day -- which delay the process.
- Report format changes from manager to manager. Reports are often written for you.
- There seems to be a “black hole” somewhere in the report approval process.
- Agents often do not know if their reports have been approved.

### **Recommendations:**

a. That Division management adopt a permanent ROI format, describe it in a written procedure, and brief all agents on the permanent format.

Approved       **Yes**       Disapproved                     

b. That the AIGI coordinate with the DIG on a review process for ROIs with time limits on handling the reports at each state of review. The agent's immediate supervisor, for example, would be allocated more review time than the DAIGI or the AIGI.

Approved       **Yes**       Disapproved                     

c. That those in the ROI review process concentrate on substantive matters rather than stylistic changes that are sent back and forth to the agent who wrote the report.

Approved       **Yes**       Disapproved                     

d. That the case agent be informed promptly when his or her ROI has been approved and a case closed.

Approved       **Yes**       Disapproved                     

### **2. Reports of Investigation: Production is not commensurate with investigative activity.**

In fiscal year 1999, as of June 15, 11 Reports of Investigation (ROIs) resulted from 23 special agents working 257 cases. The team believes the ROI figure could be higher if the Division relaxed its rigid interpretation of what constitutes an investigation and its overly-restrictive criterion for the kind of cases that are to be reported in ROI format. The current rule is that only cases in which recommendations are made are reported in an ROI. Cases with no recommendations are reported in MOC format, even if there has been significant investigative activity. In addition, agents report that there are no clear policies and no pressure to quickly start and complete ROIs. One agent commented that "Everyone is given too much time to complete assignments. There are no standards, so we are not held to any."

The Division also appears to focus its efforts excessively on criminal allegations and prosecution and too little on systemic city agency issues and assistance to individual citizens. Consequently, agents may sometimes fail to see significant issues in a case that may present opportunities for developing meaningful recommendations suitable for an ROI.

The team also noted that many cases remain open due to lack of investigative activity or a determination to close the case. Consequently, while a large number of cases are open, only a limited amount of work is being done on them. This was especially evident in the Special Investigations Unit (SIU).

### **Recommendations:**

a. That the ROI format be used for any case that requires a substantial amount of investigative activity regardless of whether or not it generates recommendations for agency heads. Significant investigative activity should always be fully documented for OIG reporting and accountability purposes.

Approved       **Yes**       Disapproved                     

b. That the ROI format always be used when an allegation involves a high-level government official, regardless of whether or not there are agency recommendations.

Approved       **Yes**       Disapproved                     

c. That OIG management officially define “investigation” as this activity pertains to OIG. The Team suggests consideration of a broad definition for “investigation” such as:

**A fact-finding examination into allegations, issues, or adverse conditions in order to provide a sound basis for referrals, decisions and corrective actions. Conduct of IG investigations involves a systematic collection and analysis of testimony, documents and physical evidence. The results are documented using the Report of Investigation (ROI) format.**

Approved       **Yes**       Disapproved

### **3. Investigative Production: Division management of cases needs reform to increase investigative output.**

The Inspection Team conducted a unit-by-unit review of selected case files to determine how cases are being managed (Appendix 5). The Team found instances in all Division units where case management appears to be deficient. A number of cases, particularly in the Special Investigations Unit (SIU), have remained open for a substantial period with little or no investigative activity. A number of cases opened in 1997 and 1998 fit this description. It was not clear to the team why so little work had been done on these cases. One reason may be that the previous unit director, who is no longer with the OIG, did not conduct regular case reviews with agents or otherwise properly oversee case activities. A large number of General Investigations Unit (GIU) cases also have remained open for long periods with no investigative activity. GIU management attributed this problem to an insufficient number of investigators. GIU agents are assigned an average of 14 cases each. Many GIU cases are unassigned and in the pending/inactive file. This may also be attributed to not having enough investigators. The Director of GIU stated that his agents are “overwhelmed.”

The team’s review of case files also found that the organization of case files is not conducive to good case management. Overall, case files lack logical structure and uniformity. They were generally in disorder and had a confusing layout. Case chronologies are disorganized and key elements of the cases are not documented in a clear, sequential, and logical manner.

#### **Recommendations:**

a. That Division management review all open cases and make a determination regarding the disposition of each case. Special attention should be given to those cases that have been open a year or more with little or no investigative activity or decision on disposition.

Approved       **Yes**       Disapproved                     

b. That Division management follow-up on case reviews more vigorously to ensure that agents are following the planning guidance that was developed during the case review sessions.



Approved Yes Disapproved \_\_\_\_\_

c. That Division management review the criteria for case initiation as outlined in the OIG Policy and Procedures Manual, Chapter 2. This may assist management in determining whether or not an issue needs to be an investigation early on in the case management process.

Approved Yes Disapproved \_\_\_\_\_

d. That Division management develop and document a case file system that presents cases in a more organized and sequential manner. Folders should include a table of contents and case chronology, and provide a method for identifying and tabbing exhibits. An example of a format used by some other OIGs is at Appendix 6.

Approved Yes Disapproved \_\_\_\_\_

**4. Special Investigations Unit: A special unit focusing on police corruption cases does not appear to be warranted.**

The Metropolitan Police Department unit (MPD) was established in 1998 to investigate allegations of corruption, wrongdoing, waste, and mismanagement. The team's case review showed that all of the SIU cases are administrative in nature. The majority of MPD/SIU cases involve violations of MPD General Orders governing time and attendance, performance of duty and outside employment. SIU investigations thus far have not resulted in uncovering police corruption cases that justify a dedicated unit within OIG. After a review of cases assigned to each unit, it appears that SIU cases and agents could be merged with GIU. Another option is to shift some of the GIU caseload to SIU after SIU cases are purged of those that can be closed or referred back to MPD.

**Recommendation:**

That Division management consider merging SIU with GIU or redistributing the GIU case load between the two units. SIU agents could be better used to work on the backlog of GIU open and pending/inactive cases. A comprehensive review of MPD cases should result in closing those that do not merit investigation for various reasons and referring low-level administrative cases back to MPD. Those MPD cases that are deemed

significant enough to keep and any new MPD corruption cases could continue to be overseen by the current Director of SIU.

Approved     **Yes**     Disapproved                       
(*Review pending.*)

**5. Complaint Response Procedure: Would benefit D.C. Government employees and citizens, and OIG.**

The Team noted that OIG does not provide a mechanism for complainants to be given information regarding the status or outcome of a complaint filed with OIG.

**Recommendation:**

That the Division develop and recommend to the IG a means of advising complainants about the status of complaints or allegations. The Team is not advocating inappropriate release of case information. Complainants, however, could be told that a complaint was received, and that action was taken if warranted. This could increase the level of confidence in OIG by District employees and citizens that the government is being responsive to their complaints. That may encourage more individuals to report fraud, waste, and abuse.

Approved                      Disapproved     **Yes**

## Policies and Procedures

### **Updated policies and procedures needed for a number of investigative processes.**

The AIGI stated that the Division is in the process of re-writing all policies and procedures. However, most agents complained about the lack of consistent policies and procedures currently in effect for the day-to-day operations of conducting investigations. Many said “You pretty much go for what you know.” The “*Investigations*” section of the 1995 OIG Policy and Procedures Manual provides good general guidance to agents about basic investigative activities. It does not contain, however, the detailed and up-to-date information supervisors and agents require for today’s investigations. Furthermore, the Division is not using the manual as it is now written. The manual identifies key points in the investigative process, but there are a number of variations in today’s procedures. For example, the old manual shows the investigative plan being written by the agent’s supervisor, not by the agent as is now done. There are no specific standards and guidelines for the content and format of a Report of Investigation (ROI) and a Memorandum of Closure (MOC). It appears that the format for these documents change frequently, which confuses the agents and further delays an already slow ROI review process. There are no current written Division policies and procedures for hiring, promotion, performance evaluations and awards. The Division has no mission statement so the Team could not determine if the Division is meeting specific investigative objectives and goals.

#### **Recommendation:**

That Division management form a management/agent task force to update and develop, publish and disseminate all needed policies and procedures within 30 working days of the IG’s approval of this report. The Inspection Team has been told that each director is now revising his own unit’s portion of the 1995 manual. This could result in a handbook that is updated but without the cohesive and uniform language that would allow it to be used effectively by the entire Division.

Approved       **Yes**       Disapproved

## Personnel Management

### 1. **Hiring Practices: Many agents believe that Division hiring practices have been unfair.**

A number of agents complained that when the Division was recently restructured, management announced that all new investigator positions would be filled at entry-level salaries. This was presumed to mean in the DS-9 to DS-11 range. Two individuals were hired from outside of the office, however, at grade DS-14. Consequently, a number of agents, particularly those with significant experience and at grades below DS-14, believe that the Division's hiring process was unfair and improper, and that there may have been some cronyism. Some agents opined that the lack of written hiring procedures in the Division and in OIG allowed this to happen, and that the morale of agents and their confidence in Division management was damaged by this event.

#### **Recommendation:**

That the IG take appropriate action that addresses the negative perceptions about OIG hiring practices.

Approved Yes Disapproved \_\_\_\_\_

### 2. **Professional Growth: There is widespread belief that professional growth is limited.**

The majority of Division personnel believe that there is no room for professional growth. The problem is attributed to a number of things. First, the lack of upward mobility is directly attributed to the lack of written promotion policies and procedures. Second, as positions become available, they have not always been announced to the staff to allow employees the opportunity to compete. Most agents believe promotions are based on personal relationships rather than performance. As examples, a number of agents cited the recent promotions for directors of GIU, SIU, and Health Care Fraud unit, as well as the selections for DAIG for Inspections and Evaluations and AIG for Inspections and Evaluations. Many agents saw these selections as pre-determined and believe the job descriptions were written to match the credentials of the employees selected.

Agents also complained about individuals being hired recently at salaries higher than those of employees already in OIG. Most agents interviewed believe that employees already on board should have been given the opportunity to compete for the higher-paying positions instead of bringing in individuals from the outside. Finally, employees believe that the Division is too “top heavy” to allow for upward mobility. The overall opinion was that the only way one could advance or be promoted in the Division would be for someone to resign.

**Recommendations:**

a. That Division management pay closer attention to the “taking care of people” aspects of management responsibilities. This means considering the personal and professional goals and aspirations of Division employees when making personnel management decisions such as hiring, promoting, and assignments. It also means helping Division employees attain those goals by putting into place written policies and procedures that provide career-enhancing opportunities and appropriate training. Management’s philosophy in this regard should be documented and disseminated to Division employees.

Approved       **Yes**       Disapproved                     

b. That Division management hire new personnel at the entry level whenever possible and avoid hiring individuals from outside of OIG if there are qualified employees already in the Division or Office.

Approved       **Yes**       Disapproved                     

**3. Performance Evaluations: Process needs improvement.**

Division directors have produced performance evaluations for all agents. However, most agents had not met with their supervisors during the reporting period to discuss performance standards and professional goals. Some stated that the current evaluation system is not fair and is a “joke” because agents are not receiving periodic performance counseling before receiving their evaluation. The evaluation they receive is sometimes a total surprise to them. Some employees are not receiving copies of their performance evaluations.

**Recommendations:**

a. That Division managers institute as part of the performance evaluation process periodic counseling and discussions with subordinates on such things as performance standards, professional and personal goals, and the skills and training required to progress in their particular areas of interest.

Approved       **Yes**       Disapproved                     

b. That Division managers use District Government regulations as a guide and give priority to updating performance evaluation procedures.

Approved       **Yes**       Disapproved                     

c. That Division managers ensure that employees receive a copy of their performance evaluation.

Approved       **Yes**       Disapproved                     

**4. Division Leadership: There is concern about the effectiveness of Division leadership.**

Most agents interviewed stated that they were satisfied overall with their immediate supervisors. Some agents stated that their supervisors were knowledgeable and supportive, and communication was open. Division Directors expressed confidence as well as dissatisfaction with Division management. Concern was expressed by some that the Division would not advance under the current leadership. Others are concerned that expertise possessed by directors and agents was not being fully and effectively used.

**Recommendation:**

That the Division hold an off-site or retreat where the concerns of all managers and agents can be openly and freely expressed and considered. Key issues affecting the ability of the Division to function properly and effectively should be documented, resolved, and reported to the IG.

Approved       **Yes**       Disapproved

## **Firearms**

### **1. Ammunition Controls: Inadequate.**

Each agent is issued and signs for training rounds and Hydro-Shock ammunition. Ammunition and magazines are not inventoried in accordance with the OIG firearms policy, which requires a semiannual inventory of all weapons, *ammunition* and magazines. However, there is no accountability system for OIG ammunition.

Also, there is no system for accounting for training rounds. Agents ask the DIG for these rounds and he issues them. Agents are not required to sign for them and there is no accounting of the number of rounds issued.

#### **Recommendations:**

a. That the Division conduct an *immediate* inventory of all issued and stored ammunition and provide a written accountability report to the DIG and IG.

Approved \_\_\_\_\_ **Yes** \_\_\_\_\_ Disapproved \_\_\_\_\_

b. That the Division ensure that weapons, ammunition and magazines are inventoried as required and the results formally documented for the record and reported to the DIG and IG.

Approved \_\_\_\_\_ **Yes** \_\_\_\_\_ Disapproved \_\_\_\_\_

### **2. Training and Policies: Satisfactory**


The Inspection Team determined that agents are receiving the firearms training necessary to ensure they are operating within prescribed laws and guidelines. Agents qualify with their assigned weapons on a quarterly basis in coordination with the Metropolitan Police Department. Weapons are stored in a locked area and each agent assigned a weapon has an individual lock-box and key. The firearms instructor and the DIG have master keys to both the master safe and all individual lock-boxes.

The OIG firearms policy requires the AIGI to ensure that a semiannual inventory of all issued firearms, ammunition and magazines is conducted.

The firearms instructor last inventoried weapons in May 1999 and all weapons were accounted for.

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Approved

  
Charles C. Maddox, Esq.  
Inspector General

Date: 1/14/00



**INVESTIGATIONS  
DIVISION  
MANAGEMENT  
COMMENTS**

## INTEROFFICE MEMORANDUM

To: Inspector General  
Cc: AIG-I&E  
From: AIGI  
Date: September 9, 1999  
Subject: FY 1999 REPORT OF INSPECTION  
INVESTIGATIONS DIVISION  
RESPONSE TO FINDINGS

### CASE MANAGEMENT:

#### A. Report Review Process

The Inspection found that the process by which Division reports are reviewed was not working and attributed the problem to wordsmithing by the AIGI and DIG. I agree with this observation, in part. There is no doubt that the process for reviewing reports within the Division is grueling, too time consuming and in some cases excessive. This fact notwithstanding, many of the observations reported under this section of the Inspection Report (IR) are based on perception rather than fact. There are several areas related to report processing that must be addressed if the current state of affairs is to be improved.

- 1 The reporting process for the ID is established by upper management, which stipulates, among other thing that:
  - The DIG must review all reports.
  - All reports having legal issues (they all do) must be reviewed by the GC.
  - The IG gives all reports a final review.

This policy position dictates that all reports are necessarily scrutinized by **at least 6 separate levels**, namely; the writer, his/her Director, the AIGI, GC, DIG and IG. By any standard of

reasonableness, the review process is excessive and in many respects counter-productive. It deserves to be reviewed and corrections made as deemed appropriate. This fact notwithstanding, this Office has every right to expect that final work products (reports) meet the high standards demanded of professionals. There are several factors that created this state of affairs. (1). During the past 18 months, the Investigations Division has suffered a tragedy of sorts that resulted in the loss of any cognizable sense of oneness and purpose. At the direction of the former Inspector General, the Investigations Division was literally torn into four separate investigative entities, each operating under different rules and standards. Specifically, the GIU was managed by the AIGI while the PFU, HCFU and SIU units were directly managed by the IG and DIG. The commentary provided by those responding to the Inspection provides prima facie evidence of the confusion and incalculable harm accruing to the morale and performance of the Division as a whole as a result of this division of responsibility. The consolidation of all four units under the AIGI in April 1999 necessitated that the AIGI literally start all-over the process of rebuilding the Division. That process is progressing well. (2) The investigative staff comes from varied backgrounds and experiences. Accordingly, there are wide variances in writing styles, which tends to reflect both the nature and purpose of matters investigated. The conditions described above did not contribute to the formulation of a single writing style and format for this Office. To the contrary, these conditions exacerbated the problem.

#### **Actions and Recommendations:**

The following actions have been taken or will be taken to address the issues noted:

1. Every member of the Investigations Division is aware of the standards for report writing and each has been provided with detailed outlines of the report format that is to be used in this Office.
2. Detailed discussions have been, and continue to be held with each investigator as to methods of improving his/her work product.
3. Each investigator is aware that he/she will be held personally responsible for his/her written work product and that **Reporting Information** is one of three major Critical Elements used to assessing their work performance and retention.
4. The AIGI recently met with an outside consultant to seek professional training for investigators designed to enhance their writing skills and help define a writing style that typifies this Office. A brief overview of the review process used in this Office with the consultant resulted in the immediate conclusion that the process is inefficient. The focal point of the anticipated training will be application of logic to the writing process. This type training will do much to engender a common approach to writing by all investigators. It is anticipated that this training will be provided in early 2000.

The following actions will be taken in light of the recommendations of the IR:

1. That the AIGI vigorously pursue professional writing training for investigative personnel.
2. That the AIGI meet with both the IG and DIG prior to formal training to develop goals and objectives for investigators that will insure quality work products and allow those preparing reports a sense of accomplishment and pride in final products.
3. That the AIGI continue to hold each investigator responsible for the quality of his/her work products.
4. That subsequent to the completion of appropriate training, each investigator be given a defined time limit to either produce acceptable written work products or be encouraged to seek other forms of employment.
5. That the current policy of providing copies of completed reports to investigators will be continued.

B. **ROI production is not commensurate with investigative activity:**

The IR noted that during FY 99, 23 Special Agents working 257 cases produced a total of 11 Reports of Investigation (ROIs). The Inspector felt that the figure would be higher if the definition of an ROI was somewhat modified.

A careful analysis of this data would have shown that a disproportionate share of the reports was prepared by relatively few of the special agents noted above. Specifically, a number of investigators had not prepared any reports of investigation as defined by the Office. It is my view that the definition of a Report of Investigation used by this Office is basically a valid one. The central problem in this Office emanates from a mindset that is narrowly focused and essentially states that **only ROIs** matter. This is a totally unrealistic view for many reasons. **First**, it says to highly experienced criminal investigators that the conduct of criminal investigations is of limited value and only cases resulting in our writing ROIs will be deemed quality work. This is a view that is not duplicated elsewhere in government. **Second**, this view literally ignores the majority of the work performed by investigators, namely; work that does not result in substantiated administrative findings.

The IR also cited a number of pending cases that reflects limited work. This was identified as a particular problem in the SIU. Within thirty days of this communication, the AIGI will review the entire SIU caseload and all matters having no investigative merit will be closed. Based on the outcome of that action, appropriate directions will be provided to the Director of that unit.

**Actions in Response to Recommendations:**

1. In that this subject matter reflects office policy, will meet with the DIG, IG and GC to discuss and where appropriate, modify definitions and/or implement policies designed to address this area of concern.
2. The AIGI will follow up previous instructions that all Directors close cases having limited priority.
3. The AIGI will continue to allow Directors to place lower priority investigations into a pending inactive status when caseloads exceed fifteen cases per investigator.

**C. Case Management:**

The IR identified deficiencies in case management in the units comprising the ID. Specifically, attention was focused on open cases that reflect limited investigative activity. The report goes on to specify that most of these cases were found in the SIU where many matters opened in 1997 and 1998 are still pending. As previously noted, the SIU, until recently, was not a part of the Investigations Division of this Office. As previously indicated, the AIGI will personally review all SIU cases by COB October 15, 1999 and any matter warranting closure will be closed. A review of the work assignments of the GIU reflects that all investigators are assigned heavy caseloads and are working in a highly productive manner. Virtually all of the cases cited as having limited work are indeed matters that have been placed in a pending inactive status in accordance with policy guidelines. The Inspection team cited the fact that the organization of case files is not conducive to good case management. This fact has been long recognized and efforts are currently in progress to substantially change file management procedures. In addition, case file review procedures are currently being updated and enhanced. All actions in this area of concern will be completed before the end of 1999.

**D. Police Corruption Unit:**

The IR pointedly notes that the SIU, created to investigate corruption within the MPD, has accomplished very little. The report recommends that abolishment of the SIU and reassignment of SIU personnel to the GIU. This recommendation will be considered in addition to other options for addressing this concern. It is my view that this recommendation should be discussed with the IG by the AIGI and All personnel will be notified of that decision. Recognizing that there are a number of practical considerations in such a decision, any recommendation/course of action must be well thought and carefully assessed. Accordingly, in a separate communication, the AIGI will provide recommendations to the IG after completion a review of all SIU cases currently pending.

**E. Complaint Response procedures:**

The IR recommends that procedures be developed that would both acknowledge the receipt of various complaints but also advise complainants of the status of their complaints. It is my view that such procedures should not be adopted. I would recommend, in the alternative, that we acknowledge (in writing) complaints received from high level officials/agencies on a routine

basis. In addition, I would recommend that we acknowledge complaints from the general public only in those instances where the person inquires about the matter. Responding to every complainant and providing him or her status updates would produce an unacceptable administrative burden that this Office is ill equipped to handle with current resources. In addition, such practices would encourage many persons in the general public to contact this Office regularly to check of the status of "their" case. This will result in tying up the resources of the office without any tangible benefit. Finally, this Office has no way of knowing whether a complainant providing information to this Office is not also providing information to others whose interests are inimical to ours. In such a case, complainants, wittingly or unwittingly, could provide valuable information to the targets of investigations should we provide them that opportunity.

F. **Policies and Procedures:**

1. **Need for updated Policies and Procedures directives:**

For some time, ID Directors have been engaged in the process of drafting a complete ID manual that will contain all relevant administrative and operational policies and procedures. In the meantime, updated policy and procedures are provided to the ID staff by appropriate interoffice communications. In addition, these issues are the subject of bi-weekly staff meetings. The statement, by the IR that "There are no current Division policies for hiring, promotion, performance evaluations and awards" is in **error**. Additional information concerning this matter is presented in the section below. Additionally, the IR concluded, "There are no specific standards and guidelines for the content and format for a Report of Investigation (ROI) and a Memorandum of Closure (MOC)". This conclusion is also in **error**. All ID personnel have detailed instructions as to the format and content of both ROIs and MOCs. It is anticipated that the new Manual will be completed in early 2000.

2. **Perceptions that the hiring process is unfair:**

Perceptions that the hiring process of the ID is unfair are merely perceptions. A review of all issues surrounding the referenced hirings indicates that these perceptions are without merit. Specifically, no one in a position of authority, within the ID, ever indicated to staff that only **new entry-level personnel** would be hired for investigative positions. To the contrary, such a proclamation would have totally countermanded our desire and efforts to achieve a well-balanced investigative staff. To this end, we must hire a good mix of experienced as well as new personnel. Pursuant to policies established by the former IG, each subdivision of the ID acted as separate and distinctly different entities. Consequently, available vacancies in each were filled not by onboard personnel but from outside advertisements. This former policy was changed with the implementation of an Office-wide hiring policy when all ID subdivisions were made a part of the ID. It is noted that both the Deputy Inspector General and the Inspector General duly approved all hiring decisions relative to the individuals mentioned, as a part of these perceptions. This fact notwithstanding, the ID will remain sensitive to the perceptions mentioned and will advertise all openings both inside the Office as well externally. The statement, in the Inspection Report, that "There are no current Division policies for hiring, promotion, performance evaluations and awards" is factually inaccurate. The ID has always hired personnel in

accordance with whatever Office policy was appropriate at that time. In addition, the AIGI personally wrote the performance plans and Performance Evaluation system used to rate the performance of the investigative staff. This system has been in effect since early 1998. Because of the fragmentation of supervisory responsibilities imposed throughout the ID, by the Inspector General, some managers never implemented the performance system as intended. In May 1999, all units comprising the ID were placed under the direct supervision of the AIGI. Since that time, all ID personnel have been appropriately indoctrinated in the existing hiring policies and performance evaluation policies.

**3. Belief that professional growth is limited:**

In many respects, this belief, by ID personnel, is based on fact. The small size of the ID seriously limits the number of available positions, and hence promotional potential. Generally, journeyman grades for investigators range from DS-11 to DS-13. It is essential that employees recognize that they were hired to perform specific duties and that promotions can neither be promised nor guaranteed. Specific complaints were lodged to the Inspectors citing the fact that different persons were hired at different salary levels. This is and has always been the manner in which OIG personnel have been hired. Specifically, salaries have been and continue to be negotiated based on OIG needs and the background/experience of applicants. This is a rational policy that allows the OIG to hire personnel having the skills and abilities being sought. This practice should continue.

**4. Performance evaluation process:**

The performance evaluation system of the ID was written and implemented by the AIGI in early 1998. Because of conditions (discussed earlier) in the ID some units received a more thorough indoctrination in performance evaluation matters than others did. Any recommendation of the IR that has not been implemented will be adopted and implemented immediately.

**5. Division Leadership concerns:**

The IR recommends that the Division hold an off-site retreat where the concerns of all managers can be openly and freely expressed and considered. This is a good recommendation that will be entertained during fiscal year (2000). Such a forum would best serve the purpose of allowing employees to vent their feelings and ideas. It is again noted that until recently, three of the four units comprising the ID were not managed by the AIGI but rather the DIG. A retreat would provide all ID employees a forum to provide constructive criticism, feedback and suggestions for future operations.